disparities, greater participation in decision making, provisioning of adequate level of consumption of food and other consumer goods, improving air connectivity, making the region a more alternative destination for private investment, exploring avenues for cooperation with countries bordering the region etc. are the main thrust of the Government's development plan in the North Eastern States.

Progress of disinvestment in ITDC hotels

1186. SHRI GAYA SINGH: Will the Minister of DISINVESTMENT be pleased to state:

(a) how far the efforts of Government to disinvest for sale or leasing out the hotels run by ITDC has progressed;

(b) the amount of money released by disinvestment of hotels;

(c) the number of hotels sold out and the amount of money released through this process; and

(d) the number of hotels which were leased out and on what terms?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (d) Till date, investment of 100% Government equity in 11 hotels of India Tourism Development Corporation Ltd. (ITDC) has been completed and 1 hotel, namely, Hotel Ashok Bangalore (including Airport Restaurant) has been given on Lease-cum-management contract. The broad terms of the contract are given at Statement (*See* below). The realisation to Government, CPSUs and other statutory bodies from these transactions was Rs. 234.79 crores.

Statement

Broad terms of the lease-cum-management contract of Hotel Ashok Bangalore (including Airport Restaurant):

Term: The term of the lease for the hotel is from 29.12.2001 to 31.3.2032, renewable by mutual consent of Government of India and M/s Bharat Hotels Limited for another period of 30 years. The sub-lease Agreement for operating and managing the Airport Restaurants is from

29.11.2001 to 31.12.2005, renewable with prior approval for Airports Authority of India.

Business Transfer Consideration:

Hotel Ashok Bangalore - Rs. 2,21,77,121.00

Airport Restaurant - Rs. 1.98,46,153.00

Annual Consideration:

The Minimum Gauranteed Annual Payment (MGAP) is Rs. 4,11,000,000/-. (The MGAP shall increase on 1.4.2007 and every 5 years thereafter during the term of the Agreement by 25% computed on the amount payable at the time of such increase).

OR

16.5% of the Gross Turnover (Turnover Based Annual Payment or TBAP); whichever is higher.

The Gross Turnover shall be and include all income/revenues generated out of the operation of the hotel and the restaurant.

Upfront amount:

(a) MGAP for 30 years *w.e.f.* 1.4.2002 growing at 25% every five years discounted at 12% per annum shall be calculated to arrive at the Discounted Amount. 50% of the Discounted Amount shall be the Upfront Amount.

(b) Pro rata MGAP for the period from 29.11.2001 to 31.3.2002.

(c) Rs. 71,40,000/- (Rs. 51.60 lakhs towards security deposits and Rs. 19.80 lakhs towards six months average water and electricity charges) to airports Authority of India for the Airport Restaurant, Bangalore.

(d) Rs. 8,22,00,000/- as refundable Interest free Security deposit equivalent to 2 years MGAP.

NOTE: The Upfront Amount (except Security Deposit) is non-refundable.

Total upfront amount

(In Rs.)

Item	Amount
50% of discounted MGAP growing at 25% every five Years	24,90,52,141
Business Transfer Consideration for Hotel Ashok, Bangalore	2,21,77,121
Business Transfer Consideration for Airport Restaurant	1,98,46,153
Six months average water and electricity charges in favour of Airport Authority of India (AAI)	19,80,000
Interest free Security deposit (refundable) in favour of AAI	51,60,000
Interest free Security deposit (refundable) (equivalent to 2 years MGAP)	8,22,00,000
Pro rata MGAP from 29.11.2001 to 31.3.2002	1,37,00,000
Total Upfront Amount	39,41,15,415

Post Closing Adjustment: There will be post-closing adjustment on account of increase/decrease in the amount of net current assets as on 31.3.2001 and the Closing Date.

Provision regarding employees: In terms of the Agreement, all the employees of the hotel and the Restaurant have been transferred to the new management without interruption of their services and on the same terms and conditions (including the Voluntary Retirement Scheme as per the guidelines of the Department of Public Enterprises) applicable on the Closing Date. The Lessee cannot retrench any of the regular employees for a period of 1 year from the Closing Date other than any dismissal or termination of regular employees from their employment in accordance with applicable staff regulations and standing orders of the Company or applicable law. In the event of retrenchment of regular employees, the Company shall pay the regular employees such

compensation as is required under applicable labour laws on the basis that the service of the regular employees have been continuous and uninterrupted, Provided further, that no retrenchment of an Employee would be undertaken unless the affected Employee is given benefits which are higher of (a) the voluntary retirement scheme applicable to the Company as per the guidelines of the Department of Public Enterprises as of the date hereof and (b) the benefits/compensation required to be statutorily given to an employee under applicable law.

Disinvestment of PSUs

1187. SHRI V.V. RAGHAVAN:
SHRI J. CHITHARANJAN:

Will the Minister of DISINVESTMENT be pleased to state:

(a) the names of the public sector undertakings in which disinvestment has been effected during the years 2001-2002 and 2002-2003;

(b) the percentage of the equity which has been disinvested in each PSU and total amount collected by Government in each case; and

(c) the proposal being considered for the disinvestment during the current year?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Two Statements (Statement-I and Statement-II) are annexed (*See* below).

(c) The disinvestments process is at present on in the following public sector undertakings:—

1. Balmer Lawrie & Co. Ltd.
2. Bharat Opthalmic Class Ltd.
3. Bharat Petroleum Corporation Ltd. (BPCL)
4. Braithwaite & Co.
5. Burn Standard & Co.
6. Engineers India Ltd. (EIL)
7. Engineering Project (India) Ltd. (EPIL)
8. Hindustan Cables Ltd. (HCL)